



DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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Italy: Labor negotiations are making ragged
progress.

The state industry segment of the metalworkers' union, numbering 300,000 workers, is expected to sign a new labor contract today that comes close to meeting labor's original demands. Negotiations in the private sector are lagging behind, but prospects for an early agreement between the association of manufacturers and the labor confederations are reported to be favorable. The metalworkers' union, which includes FIAT workers, is the bellwether for 3.5 million industrial workers whose labor contracts expire by the first of the year.

The rumors of a change of government continue, but next spring is a more likely time for the replacement of Mariano Rumor's minority Christian Dem-

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ocratic cabinet.

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Dominican Republic: For the first time most major opposition parties have jointly condemned any attempt by President Balaguer to seek re-election.

Their public statement, which warns that his re-election would lead to further violence and chaos, is an attempt to demonstrate widespread opposition to any plans of Balaguer to seek a second term. It is also designed to increase pressure on the President for his oft-postponed decision on whether he will again seek office in May 1970.

the opposition is still far from forming a common front against Balaguer.

Despite the forebodings of the opposition and recent rumors of coups and countercoups, the chances are that Balaguer will run. His re-election announcement probably would strengthen the administration initially. Military and civilian political figures, who are currently hedging during this uncertain period, may be inclined to rally to a Balaguer bandwagon because he would be the pre-election favorite. If Balaguer decides not to run, intense political maneuvering and increased instability are likely.

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25X1 25X1 Bolivia-USSR: Diplomatic relations between the two countries have been formalized with an agreement to exchange ambassadors.

This culminates several months of negotiations that had begun prior to President Ovando's assumption of power in September. Both governments had officially recognized each other in 1945 with an exchange of notes. Julio Garret Ayllon, the left-ist rector of the technical university at Oruro and a former senator, will become Bolivia's first ambassador to the Soviet Union.

The Bolivians probably hope that his action will smooth the way for obtaining Soviet financial and technical assistance. The spokesman for a Soviet technical team currently in Bolivia had said earlier that diplomatic relations were a necessary precondition for the extension of any kind of Soviet assistance. The Soviet team is primarily interested in examining Bolivian mining procedures and has said that it will make recommendations to Moscow after completing its study and holding discussions with Bolivian government officials.

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Colombia: The month-old impasse over the choice of the National Front's presidential candidate almost certainly will be broken at tomorrow's Liberal Party convention.

The Conservative Party failed to choose a candidate during its convention early last month even though the president to be chosen in the election next April must be a Conservative under the National Front arrangement. Misael Pastrana, a former ambassador to the US, seems to have a slim lead over other contenders. Most of Pastrana's support is the result of former Liberal president Alberto Lleras Camargo's efforts to swing convention delegates to his side.

Other contenders for the nomination are Evaristo Sourdis, a regional favorite, and Belisario Betancur, a political maverick. Former president Valencia could become a compromise candidate if Sourdis and Betancur step down in his favor.

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Honduras: Political and military leaders are becoming more preoccupied with the problem of presidential succession.

The ruling Nationalist and opposition Liberal parties expect to choose presidential candidates by next June for the election scheduled in March 1971. Minister of the Presidency Ricardo Zuniga and Economics Minister Acosta Bonilla are reputed to have presidential ambitions.

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President Lopez is also a contender and he has strong military support for another term. A method for circumventing the constitutional prohibition of a second term, however, has not been decided upon. A constitutional amendment requires passage by two succeeding sessions of congress. The failure of the legislature to act during the 1969 session, therefore, appears to preclude this action. Other possible options include cancellation of the election or a military coup staged in order to put Lopez in power again.

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#### NOTES

USSR: The USSR is seeking permission from Laos for Aeroflot, the Soviet airline, to add a stop in Vientiane on its route between Calcutta and Hanoi. The Soviets also have requested a stopover on the route that now terminates in Rangoon but which the Soviets hope to extend to Phnom Although the Laotians appear willing to grant rights for the Hanoi route, which is not commercially important to them, they are reluctant to let the Soviets duplicate the profitable Vientiane -Phnom Penh route now flown by the Laotian airline. If an agreement is concluded, Aeroflot could transport passengers, including Communist officials, between Vientiane and Hanoi, a route that now is served only by weekly flights of the International Control Commission aircraft.

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Morocco: In preparation for the Arab summit that he will host beginning 20 December, King Hassan has dispatched his long-time confidant Ahmed Reda Guedira to the key states of Saudi Arabia, Jordan, and Egypt. Guedira is to make a detailed study of Arab questions, particularly Palestine, that are to be considered at the summit. The selection of the able and articulate Guedira, instead of Hassan's usual personal envoy or his foreign minister, implies that the King hopes to play a positive and constructive role at the summit. Other emissaries probably will be dispatched to the remaining Arab capitals to press the King's views and to line up a moderate bloc to withstand the pressure of Arab radicals.

(continued)

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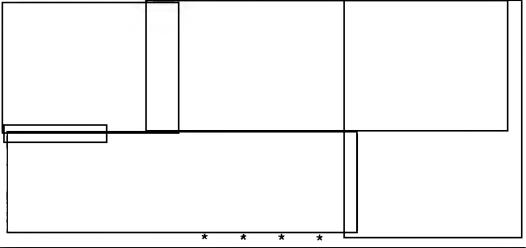
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Cyprus: Intercommunal talks have resumed after a two-month interruption caused by the illness of the Turkish-Cypriot spokesman. Both parties have agreed to put aside the matter on which they have been deadlocked--local autonomy-while they concentrate on other issues. Although real progress is far from assured, the fact that the talks are continuing tends to inhibit a further buildup of tension. Any agreement reached on minor points could also lead to increased intercommunal contact, with possible improvement of the general atmosphere.

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